

Trade Ministry: Removal of OECD blacklist marks years of efforts

The country's removal from the Organisation for Economic Co-operation and Development (OECD) list of countries with harmful tax practices follows years of systematic efforts, the Ministry of Trade has said.

'The Ministry of Trade and Industry and the Trinidad and Tobago Special Economic Zones Authority welcomes the recent announcement by the Organisation for Economic Co-operation and Development (OECD) that the new Trinidad and Tobago Special Economic Zones Regime is compliant with the Global Forum on Harmful Tax Practices (FHTP) standards,' a release from the Trade Ministry stated yesterday. The Trade Ministry stated that the OECD Global Forum on Harmful Tax Practices (FHTP) has been conducting reviews of preferential regimes since its creation in 1998 in order to determine if the regimes could be harmful to the tax base of other jurisdictions.

'The 31 January 2025 announcement follows several years of systematic development from policy to legislation led by the Ministry of Trade and Industry including the full proclamation of the Trinidad and Tobago Special Economic Zones Act on 05 July 2024, repeal of the Free Zones Act and the operationalisation of the SEZ Authority,' it stated.

'The new Special Economic Zones regime represents a holistic investment framework, which aims to attract local and international investment, boost exports and economic diversification, create new employment opportunities, and encourage increased private sector participation in the economy, all within globally accepted standards and best practices. Some of the distinguishing characteristics of the SEZ regime, include specially designated zones, a robust institutional framework, and a dynamic and transparent incentive framework,' it stated. The Trade Ministry said the SEZ incentive framework is therefore consistent with international best practice and enhances the attractiveness of the business climate of Trinidad and Tobago, while also protecting the domestic revenue base to the greatest extent possible.

'These incentives, which are conditional on transparent eligibility criteria, include a 15 percent Corporation Tax rate, and exemptions and waivers on customs duty, value added tax and other taxes. SEZ entities will also benefit from non-fiscal incentives that include an enhanced operating environment through harmonised and efficient regulatory approvals to improve the ease of doing business,' it stated.

'The Minister of Trade and Industry wishes to thank all stakeholders who contributed to this milestone including technical offices from the Ministry of Trade and Industry, Finance and Office of the Attorney General and Ministry of Legal Affairs,' the release stated.

As a result of the OECD amendment, Trinidad and Tobago is one step closer to being removed from the European Union's blacklist, having met two additional requirements, according to the European Business Chamber in T&T.